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ABSTRACT

Background material on the American Association of University Professors' (AAUP's) annual survey of faculty salary data is summarized. It is pointed out that in 1976, AAUP decided to depend on the National Center for Education Statistics (NCES) for data collection because both organizations had worked closely for many years, it eliminated duplication of the data collection effort, and it increased the size of the AAUP sample. The mechanics of the survey are described. The procedures traditionally used by AAUP, namely, reviewing, screening, and revising data when necessary, are not modified. The major fringe benefits included in the survey are: (1) social security; (2) retirement; (3) medical insurance, life insurance, guaranteed disability income protection, unemployment compensation, and workman's compensation; (4) tuition for faculty children; (5) housing benefits; and (6) other benefits. The AAUP catagories are defined and the format of the appendices of the AAUP annual report is described. (SPG)

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THE AAUP FACULTY COMPENSATION SURVEY: OPPORTUNITIES AND PITFALLS IN FACULTY SALARY COMPENSATION

by

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The AAUP Faculty Compensation Survey: Opportunities and Pitfalls in Faculty Salary Compensation

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The American Association of University Professors (AAUP) started to collect, analyze, and publish faculty salary data on a biennial basis in 1939. The annual survey, however, was first conducted by the Association's Committee Z on the Economic Status of the Profession during academic year 1958-59, following, in 1957, President Eisenhower's Committee on Education Beyond the High School, which had concluded that "the absolute highest priority in the use of available funds be given to raising faculty salaries, with the goal of doubling the average level within five to ten years, and with particular attention to increasing the spread between the bottom and the top of each institution's salary structure." The announced purpose of the AAUP annual survey was to assist faculty, administrators, trustees, alumni groups, legislators, and others to achieve these objectives by publishing by institution and by rating each institution's average compensation by rank, according to previously established and published scales. An annual increase of 7.2 percent was necessary to achieve this goal. In nominal terms, however, it took almost twelve years to achieve the set goal. Unfortunately, the rate of inflation outpaced the set increases and the financial difficulties now facing institutions of higher education make it very difficult not only to keep faculty salary increases in line with those given in other professions, but also to improve faculty salaries to more appropriate and competitive levels.

Paper prepared for the Office of Institutional Studies, University of Southern California, Third Annual Academic Planning Conference, "Ethical and Economic Issues."

Of the three major salary surveys conducted by the National Center for Education Statistics (NCES), the National Education Association (NEA), and the AAUP, the AAUP's study has been unique. It has provided data by institution, as well as in aggregate form, since 1959. These data have been available in a timely and consistent manner. The impact upon the profession has been demonstrated by the steady increase in participation. In 1976, over 1600 institutions submitted data, as compared to 282 in the first year of the survey. I must point out that until 1976 when AAUP decided to depend on NCES for the data collection, participation in its survey was on a voluntary basis.

The AAUP's decision to depend on NCES for the data collection was based on the following reasons. First, both organizations had worked very closely for many years. In 1970, common definitions, instructions, and directions were adopted by the two organizations. The major change was the inclusion of Law, Nursing, and Dentistry, which were excluded in the past. In more recent years, the Center started to collect information on fringe benefits. At AAUP's request, in addition to the number of faculty members and salary outlays, the Center also started to request data on individual salaries, which are now provided by institution in a distribution by $500 class intervals. In 1976, the only item which had been included in the AAUP questionnaire but was not yet part of the HEGIS package was the information on salary increases for continuing faculty. Again at AAUP's request, this item has been incorporated into HEGIS XII, which is the questionnaire used by the Center to gather data for the current academic year. Second, it would eliminate the duplication of the data collection effort, thus reducing considerably the burden imposed on administrators by the many questionnaires they receive. Third, it would increase the size of the AAUP sample, thus improving the usefulness of the data made available to the entire academic community.

Having just provided you with a rationale for the AAUP's decision to rely on the Center for data collection, I must now address the following "temporary"

pitfalls. During this transition period, the inclusion for the first time of a significant number of new institutions did in fact affect a number of the tabulations.

Because the majority of these institutions were relatively low paying institutions, their inclusion, especially for some categories, suddenly changed the composition of the sample. For example, in Category IIB, used for the typical bachelor's or equivalent degree institution, or Categories III and IV, the two-year colleges with and without academic ranks, the levels of the 1976-77 compensation scales or decile distributions of average compensation were the same or lower than those for the previous year. This, however, should be a one-time phenomenon. The change in the size of the sample did not affect the computation of salary and/or compensation increases, since only those institutions reporting comparable data for the most recent two years are used for the tabulations. Other tabulations such as those made for historical groups and a number of series were not affected either.

While NCES could not give a guarantee that it would collect data on a permanent and regular basis, assurances for the next few years could be ascertained. The Center is now the only agency collecting this type of data. I have no reason at the present time to think that the Center's raison d'etre is in jeopardy. Quite to the contrary. Improvements continue to be made both in the methods and procedures used to collect data and to release them in a more timely manner. As you know, this has been the main criticism.

Finally, during any transition period, one may expect errors to occur. In fact, a number of inconsistencies were reflected in the 1976-77 report. This, however, should not reoccur in the future.

Now a few words on the mechanics of the survey. The procedures traditionally used by AAUP, namely, reviewing, screening, and revising data when necessary, have not been modified. For comparison purposes, twelve-month salaries are converted to a standard academic year basis and the fringe benefits pro-rated

when necessary. No changes or modifications are made, however, without first consulting and obtaining approval from the institution originally submitting the data. Therefore, the fact that data are now obtained from NCES does not affect in any way the validity and/or consistency of the data in the AAUP annual report.

I would like at this time to clarify some of the definitions used for the purpose of the survey. "Instructional faculty" is defined as those members of the Instruction/Research staff who are employed on a full-time basis and whose major regular assignment is instruction, including those with released time for research. Instructional faculty on sabbatical leave are reported at their regular salaries, even though the faculty member may be receiving a reduced salary while on leave. Chairmen of departments who have no other administrative titles and hold a faculty rank are reported at their contracted faculty salaries.

Salaries of full-time faculty members are reported on either nine-month or twelve-month bases. The term "nine-month salary" applies to faculty who teach for two semesters, three quarters, two trimesters, two four-month sessions, or the equivalent. Faculty employed for the entire year are reported for twelve months, which are then converted to standard academic year.

The major fringe benefits included in the survey consist of the following:

1. Social Security - with the exception of public institutions in the states of Colorado, Florida, Illinois, Louisiana, Maine, Massachusetts, Nevada, and Ohio, Social Security is reported by all institutions. In order to have consistency in the data, this year the Social Security component will be calculated at 5.85 percent of the first $16,500 of salary, which was the rate effective January 1, 1977.

2. Retirement - the institution's (or state's) contribution to the retirement plan or plans is included only to the extent that the contribution becomes fully vested in the faculty member within five years or less of service. This

means that a faculty member leaving the institution or the state has the option of leaving his own contribution into the retirement plan and may subsequently receive at retirement age an annuity based on both his and his former employer's contributions. The five-year criterion was established by the Committee, which felt that this period would provide adequate mobility to individuals.

3. Medical Insurance, Life Insurance, Guaranteed Disability Income Protection, Unemployment Compensation, and Workmen's Compensation. These premiums vary greatly from institution to institution depending on the portion of the premium paid by the employer.

4. Tuition for faculty children - payments for tuition programs are included as countable benefits only to the extent that a cash option is available. This means that the child is free to attend any institution of his choice and the parent's institution is willing to pay the tuition fee (or a portion thereof) for study elsewhere.

5. Housing benefits - These payments are considered countable benefits if a cash option is available. This means that a faculty member may live in housing other than that provided by the institution. It does not mean, however, that the institution is willing to pay the full cost. Also counted as a housing benefit would be the difference between the interest paid by a faculty member on a mortgage loan made by the institution and that he would pay to a bank.

6. Other benefits in kind - Personal benefits in kind are included only if the faculty member has, without the imposition of conditions, the option of taking a cash payment if he prefers to use the money in some other way. Since the objective of the survey is the measurement of income available for personal consumption, as distinct from professional purposes, benefits of a professional nature, such as convention travel, membership fees, grading assistance, and faculty clubs, are not included, even if a cash option is provided.

The AAUP categories are defined as follows:

Category I - includes institutions which offer the doctorate degree and which conferred in the most recent three years an annual average of fifteen or more earned doctorates covering a minimum of three non-related disciplines.

Category IIA - includes institutions awarding degrees above the baccalaureate but not included in Category I.

Category IIB - includes institutions awarding only the baccalaureate or equivalent degree.

Category III - includes two-year institutions with academic ranks.

Category IV - includes institutions without academic ranks. With the exception of a few liberal arts colleges, this category includes mostly two-year institutions.

The format used in the annual report has been rather consistent. In Appendix I, which is used for institutions with academic ranks, is a listing of data by institution. It includes the number of full-time faculty members; the average salary; the average compensation, which is salary plus fringe benefits (these payments represent the institution's, or in the case of public institutions, the state's contributions to the various major fringe benefits included in determining average compensation); the percentage of tenured faculty, the number of men and women; and the fringe benefits as a percent of average salary. These indices are given by rank and sex. In addition, the percentage increases in salary for continuing faculty are shown by rank. The highest salary quartile, median, and lowest quartile for all ranks combined are also provided. Appendix II, which is used for institutions without the standard academic ranks, contains the same items as those found in Appendix I by institution. Appendix III has been used for the listing of data for preclinical departments of medical schools. These data are presented on a twelve-month basis and only apply to full-time faculty members in preclinical departments, usually including Pharma-

cology, Biochemistry, Physiology, Anatomy, Microbiology, and other basic sciences. Pathology has not been included in the preclinical departments.

As to the changes made over the years, starting in 1970-71, the data I have just described have been presented for each institution by academic rank. Prior to 1970, and starting in 1958, the data were presented in the same manner, but only the overall average compensation was published. The other indices, however, have always been provided by rank.

Also starting in 1970, the salary scales which were first established in 1958 and used until 1969, were abandoned. Aside from the fact that continued inflation contributed to the ineffectiveness of the old scales, one of the main sources of criticism was that this simple scale included under one classification many basically incomparable institutions. To overcome this and to reflect more accurately the operation of the academic market, different sets of scales were introduced. A rating was assigned to the average compensation level for each rank. The rating represented the relative position of the institution's compensation level among comparable institutions. The rating corresponded to a decile or quintile from a distribution of the current average compensations reported by institutions represented in the survey.

As to the validity of the data presented in the annual report, I will simply say that this survey is intended for general purposes and therefore the data can only be used for overall comparisons. While AAUP has for almost two decades regularly provided salary data, I believe the judicious use of these data is not its responsibility, but indeed that of the user. Disciplinary differentials have always existed and are inevitable. Factors such as the labor market, historical differences, the location and objectives of an institution, the supply and demand, and the differences between graduate and undergraduate instruction, will continue to affect the salaries of faculty members within each discipline. For these reasons, existing disciplinary differentials will

continue to exist.

Data by discipline, however, are available in a number of studies which have been conducted and made available by various professional associations. Such studies include the report presented annually by the Oklahoma State University's Institutional Research Office, the Nursing Association, American Chemical Society, and the Scientific Manpower Commission. If any of you are interested in obtaining more information regarding these studies, I will be very glad to take your names and send you the appropriate references or sources.